



**ARIZONA STATE PARKS BOARD
STATE PARKS OFFICES
BOARD ROOM
SEPTEMBER 14, 2011
MINUTES**

Board Members Present

Tracey Westerhausen, Chairman; Walter D. Armer, Jr., Vice-Chairman; Reese Woodling; Alan Everett; Larry Landry (arrived at 11:15 am); Maria Baier

Board Members Present Via Conference Call

William C. Scalzo

Staff Members Present

Renée Bahl, Executive Director; Jay Ream, Assistant Director, Parks; Kent Ennis, Assistant Director, Administration; Jay Ziemann, Assistant Director, External Affairs and Partnerships; Monica Enriquez, Executive Staff Assistant.

Attorney General's Office

Laurie Hachtel, Assistant Attorney General; Joy Hernbrode, Assistant Attorney General

AGENDA

(Agenda items may be taken in any order unless set for a time certain)

A. CALL TO ORDER - ROLL CALL – Time Certain: 10:00 AM

Chairman Westerhausen called the meeting to order at 10:03am. Roll call indicated a quorum was present.

B. PLEDGE OF ALLEGIANCE

Chairman Westerhausen asked Senator Al Melvin to lead the audience in the Pledge of Allegiance.

C. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

- 1. Board Statement - "As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners."**

The Board and Staff introduced themselves. Mr. Everett read the Board Statement.

- D. CALL TO THE PUBLIC –** Consideration and discussion of comments and complaints from the public. Those wishing to address the Board must register at the door and be recognized by the Chair. It is probable that each presentation will be limited to one person per organization. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later time.

Senator Al Melvin said that on September 13, 2011 he met with Chairman Westerhausen, Ms. Bahl and Mr. Ziemann and he said he would recap that discussion. He said he is a friend of all 30 state parks and is committed to keeping all 30 of them open. He said he understands that 29 are now open. He said there was a meeting for Oracle State Park on September 13, 2011. At that meeting there was a discussion with



staff and the Friends of Oracle State Park to open the park three days per week to student programs and Saturday to the public.

Senator Melvin said when he was first elected and got involved with Oracle State Park he noticed there weren't any public signs. The Friends have raised \$20,000-\$30,000 per year working with Arizona State Parks (ASP) and Arizona Department of Transportation (ADOT) and there are now two major signs when driving past you know the park is there.

Senator Melvin said Oracle State Parks is a good example of using inmate labor to refurbish the Ranch House. He encouraged everyone in the room to go to the Department of Corrections website and look at the seven-eight minute video on inmate labor and how it has been used in different parts of the state to save money specifically in Douglas where they have save several million dollars refurbishing a historic train station, theatre, a major building on Main Street which is now the library and a building on the outskirts of town which is now a call center employing over 300 people. He said Ms. Bahl showed him the list of parks where ASP is using inmate labor now. He said there is a problem in Arizona with bufflegass. He said one of the only ways to get rid of it is to literally pull it up by hand. He said inmate labor is being used to do that.

Senator Melvin said he could not make any promises but he knows that the heavy cutting in the budget process is over. He hoped that Arizona is now on a steady flight path for the next couple of years and that means that the sweeps are over. He said of ASP's \$10 million that have been raised in park fees and other money that has been generated in the operation of the parks the state's swept \$2.1 million sweep and hopefully that sweep will not take place. That would give ASP money to reinvest in the parks. He said ASP could use Arizona Correctional Industries (ACI) to get in some proper engineers to look at the possibility of building more RV hookups at parks to generate money.

Senator Melvin handed out an article printed in Governing Magazine connecting America's leaders. The article is about State Parks throughout the United States. He said the subtitle of the article is, "Their budgets are decimated; State Park officials are seeking new ways to keep the gates open." He said the article talks about partnering with corporate entities including sponsorships.

Senator Melvin noted that the women's prison at Perryville has a print shop and they print business cards and greeting cards, for example. He said ASP might utilize them for printing the brochures on the parks. He said the idea of bundling had been discussed with staff. He said out of 30 parks 10 parks could stand on their own and 20 might be shaky in various degrees. He said ASP might create two bundles of 10 parks each and put it out for a Request for Proposal (RFP).

Senator Melvin said ASP is looking at some legislation for the next cycle one of which would protect the money that ASP generates through operations. He said when he met with staff he offered to sponsor that legislation. He noted he met with Mr. Ziemann many times and this is the culmination of those meetings. He thanked the Board for the opportunity to address them.

E. DIRECTOR'S SUMMARY OF CURRENT EVENTS – The Executive Director may update the Arizona State Parks Board on special events and accolades. A list of



items to be discussed under this agenda item will be posted on the State Parks website (azstateparks.com) 24 hours in advance of the Parks Board meeting.

Ms. Bahl gave a presentation on the Director's Summary of Current Events. The presentation is included in these minutes at Attachment A.

Mr. Scalzo commented that the Site Steward program is a great program. He said many of these volunteers having been working for many years. He said he hoped they would be recognized at a future Board meeting.

F. DISCUSSION ITEMS

Chairman Westerhausen said she would defer Discussion Item #3 and Action Item #4 until Mr. Landry arrived.

1. State Parks Operations Status Update

Mr. Ream gave the State Parks Operations Status Update. The update is included in these minutes at Attachment B.

2. Revenue Forecast by Major Fund and Park Visitation Update

Mr. Ennis said the State Parks Enhancement Fund (gate fees) would end FY 2011 with just slightly below the \$10 million forecast at \$9.85 million. He said that was mainly due to attendance, which was down on a year-on-year basis for those parks that ASP manages. He said that attendance was down 11% for FY 2011. He said, however, on a revenue basis ASP is up a little over 4% for FY 2011. He said that is due mainly to the previous fee increases. He said for the first two months of FY 2012, there seems to be continuation of rebound and revenue growth, up almost 11%, and attendance is up almost 4% for FY 2012 so far.

Mr. Ennis said the Off-Highway Vehicle Recreation Fund is tracking according to forecast. He said the Law Enforcement Boating Safety Fund (LEBSF) had a surprisingly good July and is back on track for forecast for August and is slightly ahead of forecast year-to-date. He said the State Lake Improvement Fund (SLIF) which is derived from the Highway User Revenue Fund (HURF) is tracking on target with the forecast. The Interest Earnings are slightly higher because of the Land Conservation Fund earnings but they are still lower in comparison to what they were in past years.

4. Commission on Privatization and Efficiency (COPE) Report Update

Mr. Ziemann said last year the Governor's COPE group released an initial report and ASP was mentioned rather significantly. The report mentioned parks and talked extensively about privatization and ASP turning over parks to the private sector. He said the full report was expected in December 2010 but was released on July 21, 2011. ASP was absent from the final report. The only place of interest to ASP was in Recommendation #4. This recommendation dealt with the elimination, merger, efficiency review or privatization of agency, boards or commissions. The report said they ran 70 state agencies through a flowchart and the results of that analysis were in Table #5. However, Table #5 failed to appear anywhere in the report or attached to the report.



5. Analysis and Roles and Responsibilities of Arizona State Park Advisory Committees including Upcoming Appointments

The Arizona State Parks Board Information Report on this agenda item is included in these minutes as Attachment C.

3. Park Revenue Analysis and Hypothetical Revenue Sharing from 3rd Party Operators

Mr. Ennis said at the June 23, 2011 Board meeting, the Board asked staff to do what is called a pro-forma analysis of what the parks system looks like on a stand alone basis relative to its revenues and direct expenses and also include at least one scenario of hypothetical revenue sharing arrangement with third party operators.

Mr. Ennis said in the last couple of years since ASP has lost much of its funding ASP has had no choice but isolate costs at the park level as much as possible to see which parks are making money, which are breaking even, and which have a negative operating margin. He said there are three tables and Table 4 that shows a hypothetical scenario. He noted that the data is straight from the state AFIS system on a cost basis and is not audited. He said the way staff has allocated the expenses is very fair but they are still draft numbers. Tables 1 through 4 are included in these minutes as Attachment D.

Mr. Landry said it is his understanding that ASP gets about \$800,000 from annual passes. He asked if the revenues from the passes go into the total revenue of what park they are sold at as opposed to pro-rated throughout all parks. Mr. Ennis answered affirmatively.

Mr. Ennis said in preparing this analysis staff started with the information received in the Request for Information (RFI) that was issued in December 2010 and in the continuing discussions with third party operators. He said where there are park concessions the revenue sharing ranges from about 5-23%. Each contract for a park is individual specific and staff has not seen one for a group of parks. He listed the assumptions and these are included in these minutes as Attachment E.

Mr. Landry said in the materials it said that ASP gets \$5.5 million worth of volunteer hours if they were full-time employees. He asked how staff factored the assumptions on volunteer hours and if volunteers would still come if there were a third-party operator. Mr. Ennis said ASP received 260,000 total volunteer hours. He said by a national reference source staff valued those hours by \$21 an hour. He noted that those hours are not included in the figures presented, but these volunteers are critical to the operation of ASP's park system.

Mr. Landry asked what assumptions staff have made on law enforcement, environmental education and habitat management? He said these are three critical functions and he hasn't seen any private RFI responders say they want to do these. Mr. Ennis answered that private RFI responders have said they would use local area policeman for public safety and even contract out for water/wastewater. He said in this analysis these assumptions have not been included.

Mr. Ennis said in the analysis none of the indirect agency expenditures for parks have been included. Staff only tried to isolate costs directly at the park level. There would be



no funding from the state for capital or maintenance projects. Also, as mentioned before, volunteer value is not included. However, in the Table 4 revenue sharing scenario, staff has included public safety and water/wastewater operators and that cost would be shared by the third-party operator.

Mr. Ennis said the direct park level expenses include salaries, employee benefits, land leases, permits, utilities, park supplies, light maintenance and office equipment. He said indirect park expenses include salaries and employee benefits for development section staff and operations section staff including regional managers. It also does not include Phoenix directed park maintenance repairs, capital equipment and agency wide risk management. Some things also not included are things used across the agency such as human resources and accounting.

Mr. Ennis said in Table 1 the parks were ranked from the largest revenue, which is at Kartchner, and down to the lowest, which is at Oracle since it is closed. Also included in the Table were partner revenues and then the next column is these direct park level expenses.

Mr. Landry said since these are draft he thought it would be helpful to have an asterisk that shows parks operated at reduced operating hour levels because that affects the revenues. Mr. Ennis said staff would do that.

Mr. Ennis spoke about the next set of slides that are part of the slides included in these minutes as Attachment E.

Mr. Landry commented that to look at the numbers of the operating costs in a different way if the \$5.5 million of volunteer time were added in then the operating costs would actually be \$14.2 million to operate the way ASP does today. He said the margin is really on the state operating costs not on the total operating costs of how ASP functions today. He asked Mr. Ennis if that was correct. Mr. Ennis answered affirmatively.

Mr. Armer noted that if you were talking about any form of privatization then your volunteer base would decrease significantly.

Mr. Scalzo noted that in third parties that are not-for-profit there is often significant volunteer involvement. ASP has such volunteers in some of the existing parks where not-for-profits are operating a park in conjunction with ASP. He said there is an area where there could be volunteer participation but for-profits tend not to be very effective in that as others have said.

Chairman Westerhausen said she didn't think it was an all or nothing thing. She said, for instance, Tonto Natural Bridge could have someone privately running the lodge, ASP may not lose the entire park volunteer base. She said it is more a case of whether a park is taken over or whether some specific aspect of park operations is taken over.

Mr. Scalzo complimented Mr. Ennis on the good job in trying to analyze and give the Board a better feel as the Board talks about privatization and/or any concession arrangements. He said he thought this gives the Board more information than it ever had before.

G. BOARD ACTION ITEMS

1. Approve Minutes of August 3, 2011 Arizona State Parks Board Meeting



Mr. Landry motioned to approve the minutes. Mr. Everett seconded the motion. The motion passed unanimously.

- 2. Consider Approval of Law Enforcement Boating Safety Fund (LEBSF) Distribution of \$750,000 to Mohave, La Paz and Yuma Counties for FY 2012 –** Staff recommends approving the distribution of \$399,638 to Mohave County, \$236,318 to La Paz County and \$114,045 to Yuma County, from the Law Enforcement Boating Safety Fund for FY 2012 based on historical percentages.

The Arizona State Parks Board Action Report on this agenda item is included in these minutes as Attachment F.

- 3. Consider Funding for FY 2011 Land Conservation Fund Grant Applications –** Staff recommends the Arizona State Parks Board approve funding all four applications up to an amount that equals the percentage (84.3796%) of the eligible amount for each project, based on a ratio of the total amount available to the total amount eligible (ratio of \$40,460,000 to \$47,950,000):

- City of Scottsdale – McDowell Sonoran Preserve Parcel 2 for the purchase of 1,937.19 acres for up to \$17,297,810, and
- City of Scottsdale – McDowell Sonoran Preserve Parcel 3 for the purchase of 2,482.2 acres for up to \$18,985,410, and
- City of Phoenix – Sonoran Preserve Priority 3-B for the purchase of 317.911 acres for up to \$2,447,000, and
- City of Phoenix – Sonoran Preserve Priority 3-C for the purchase of 271.053 for up to \$1,729,780.

The final grant amounts will be based on the Arizona State Land Department (ASLD) final appraisal value of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. Approval of the awards is contingent upon the appraised land value being finalized before December 31, 2011, and that the applicant be a successful bidder, and that any issues pertaining to the Conservation Easements are resolved.

The Arizona State Parks Board Action Report on this agenda item is included in these minutes as Attachment G.

- 4. Discussion on Legislative Issues, Priorities and Potential Solutions for Upcoming Legislative Sessions –** The Arizona State Parks Board may vote to take a position or provide direction to staff concerning legislative issues, priorities or potential solutions for upcoming legislative sessions affecting Arizona State Parks.

The Arizona State Parks Board Action Report on this agenda item is included in these minutes as Attachments H.

H. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

- 1. Staff recommends that the next Arizona State Parks Board Meeting be on Wednesday, October 26, 2011 at Picacho Peak State Park.**



2. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.

Mr. Scalzo asked if the Board is going to have an executive session about soliciting donations and sponsorships that the Board be given the material in advance before the meeting. This would give the Board existing statutes to review and he also asked for the statutes of other agencies that seem to have this authority clearly listed in their statutes.

I. ADJOURNMENT

Mr. Landry motioned to adjourn. Mr. Armer seconded the motion. The motion passed unanimously. The meeting adjourned at 11:57am.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

A handwritten signature in blue ink, reading "Tracey Westerhausen".

Tracey Westerhausen, Chairman

A handwritten signature in blue ink, reading "Renée E. Bahl".

Renée E. Bahl, Executive Director

11/1/11 4:44 PM

Attachment A

Director – Current Event

Oracle State Park
Friends of Oracle State Park
& Oracle Historical Society

Kannally Ranch House
"Cowboy Dinner 2011"

June 2011



Director – Current Event

Cattail Cove State Park Vault Toilets Installed July, 2011



Director – Current Events

Kartchner Caverns State Park
Partnership-Eller College of Business
3rd Annual Event

NAU, UA, ASU
July 13, 2011



2011 Dorrance Scholars & Entrepreneurs

Director – Current Event

Patagonia Lake State Park
Electrification Project
Completed August, 2011



Director – Current Event

Red Rock State Park

Moonlight Hikes

August 13 & 14

September 12 & 13



FALL COLORS

Director – Current Event

E.1.

Homolovi State Park

Suvoyuki Day

August 27, 2011



Director – Current Event

Kartchner Caverns Summer Science Series

Bug Night
August 27, 2011



Director – Current Event

Lyman Lake State Park – "Country Fire"

St. Johns Chamber

September 2, 2011



Director – Current Event

Lake Havasu
State Park
Sept. 2-4
Labor Day
Weekend



Director – Current Event

Site Steward Program - Culture Keepers Award Motto: "Saving Our Sites Preserving Our Past"

September 10, 2011

Darlene Brinkerhoff
(22 years as a volunteer)

Shelly Rasmussen
(21 years & 22,000
hrs of volunteering)



Director – Current Event

Joseph Roth

Administrative Asst. III

SHPO section

4th Quarter "Atta Person"



Director – Current Event

Verde Valley Rack Card
\$1.00 off day-use

35,000 Printed

Distributed at 5 parks
to visitors to encourage
movement to the other
parks in the area.

Save \$1 on Future Park Visits!

Learn About Jerome!
Jerome State Historic Park
Jerome (928) 634-5381 • Museum Exhibits & Picnic Area With View

Ride a Horse!
Dead Horse Ranch State Park
Cottonwood (928) 634-5283 • RV & Tent Camping, Cabins & Fishing

Save With Multi-Park Coupon!
\$1.00 OFF Day Use Entrance Fee

Disclaimers: Redeemable on your NEXT visit to any of the parks on this brochure. Can be used once at each park. Coupon is good for up to 4 people in the same vehicle. If state park charges on a per person basis, Coupon is good for up to 4 adults in group (up to \$4 total). Maximum discount is 4 adults. Any persons over 4 are charged standard Day Use Entrance Fees. Not valid on Youth admission. Coupon tab must be surrendered at park entrance. No cash value. Cannot be combined with other offers or promotions. **Expires February 28, 2012.**

Park Staff: Tear off corresponding color tab. Return card to customer unless 4th redemption.

Enjoy Verde Valley State Parks!

"Like" AZStateParks on Facebook

Take a Hike!
Red Rock State Park
Sedona (928) 282-6907 • Daily Hikes, Programs, Picnic Area, Visitor Center

Placeholder Picture: final photo to come
Explore Frontier Life!
Fort Verde State Historic Park
Camp Verde (928) 567-3275 • Frontier Museum Exhibits, Annual Events

Visit all the Verde Valley State Parks!
Sign up for Parks Newsletter
AZStateParks.com

Arizona State Parks
1300 W. Washington
Phoenix, Arizona 85007
Phone & TTY (602) 542-4174
Toll Free (800) 285-5703
from 520 & 928 area codes
Fax (602) 542-4180

Equal Employment Opportunity
Agency. This document is
available in alternative formats.
Contact the ADA Coordinator
at (602) 542-4174.

Arizona State Parks
AZStateParks.com

\$1.00 JERO **\$1.00 DEHO** **\$1.00 RERO** **\$1.00 FOVE**

\$1.00 FOVE **\$1.00 RERO** **\$1.00 DEHO** **\$1.00 JERO**

Director – Upcoming Events

September 17-18	Homolovi State Park– Stabilization
September 24	Kartchner Caverns Star Night
September 24	Dead Horse Ranch- Verde River Days
October 1	Slide Rock – Fall Festival – Apples!
October 1-29	Homolovi - (5) fall tours of Homolovi IV
October 8-9	Fort Verde Days
October 11-12	Red Rock State Park Moonlight Hikes
October 16	Catalina State Park Guided Hikes

Attachment B

Title: Operations Status Update Attachment
Date: September 14, 2011
Agenda Item #: F-1

A. Parks open without Financial Partnerships FY 2012:

1. Alamo Lake SP	
2. Buckskin Mountain SP	
3. Catalina SP	
4. Cattail Cove SP	
5. Dead Horse SP	
6. Fool Hollow Lake Recreation Area	
7. Kartchner Caverns SP	
8. Lake Havasu SP	
9. Lost Dutchman SP	
10. Patagonia Lake SP	
11. Picacho Peak State Park*	Reopens Sept. 15, 2011
12. Slide Rock SP	
13. Tonto Natural Bridge SP	Agreements expire Sept. 26, 2011. Park will remain open.

B. Parks Operated by Arizona State Parks staff through Partnership Support:

1. Fort Verde SHP	Town of Camp Verde - \$70K agreement to June 30, 2012
2. Homolovi SP	Hopi Tribe - \$175K agreement to February 28, 2012
3. Jerome SHP	Yavapai County - \$30K agreement to August 31, 2012
4. Lyman Lake SP*	Apache County - \$22K Park open June 17 to October 17, 2011
5. Red Rock SP	Yavapai County - \$30K, Benefactors of Red Rock - \$40K agreement to June 30, 2012.
6. Roper Lake SP	Graham County – agreement to June 29, 2012

*PARKS WITH SEASONAL OPERATING SCHEDULES

C. Parks Operated by Partners with no State Parks Staff:

1. Boyce Thompson Arboretum SP	University of Arizona & Boyce Thompson Foundation
2. McFarland SHP	Town of Florence
3. Riordan Mansion SHP	Arizona Historical Society
4. Tombstone SHP	City of Tombstone
5. Tubac Presidio SHP	Santa Cruz County & Tubac Historical Society
6. Yuma Territorial Prison SHP	City of Yuma & Yuma Crossing Heritage Area
7. Yuma Quartermaster Depot SHP	City of Yuma & Yuma Crossing Heritage Area

D. Parks that are Closed to the Public:

1. Oracle SP	Park Closed on December 22, 2010. An RFP for 3 rd party operations closed on October 6, 2010, no bids submitted. Re-evaluating options. Public access limited to special events.
2. San Rafael Natural Area	Park Closed. Grazing Special Use permit implemented. No public access.

Attachment C
Arizona State Parks Board Information Report
Agenda Item #: F-5



Title: Analysis and Roles and Responsibilities of Arizona State Park Advisory Committees including Upcoming Appointments
 Staff Lead: Jay Ziemann, Assistant Director
 Date: September 14, 2011

Board Members	Aye	Nay	Absent	Abstain	Comments
Tracey Westerhausen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walter Armer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Reese Woodling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Larry Landry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alan Everett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
William Scalzo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Maria Baier	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Approve <input checked="" type="checkbox"/>	Deny <input type="checkbox"/>	Amend <input type="checkbox"/>			

Motion:

Walter D. Armer, Jr.: I move the Arizona State Parks Board 1) direct staff to meet with each Advisory Committee and work with them to apply the State of Virginia's flowchart on Boards and Commissions to that Advisory Committee and 2) return to the Board at its November 30, 2011 meeting with an analysis and/or recommendations on Advisory Committee consolidations, eliminations or to maintain the status quo and 3) delay advertising openings and appointments to Advisory Committees until the Board completes its analysis and takes any action that the Board may or may not take and 4) delay the annual committee reports to the Board until the Board is ready to make appointments to the Advisory Committees.

Mr. Landry seconded the motion. The motion passed unanimously.

Board Questions/Comments:

Mr. Ziemann said at the June 23, 2011 Board meeting, Mr. Armer asked staff to do an analysis of the roles and responsibilities of the various advisory committees. He said staff put together an analysis. It is included in these minutes as Attachment C. Staff is suggesting that at your October 26, 2011 Board meeting, the Board run itself through the analysis used by the COPE and the State of Virginia.

Chairman Westerhausen asked about the Arizona Outdoor Recreation Coordinating Commission (AORCC). She said under its purpose it says, "establish and review grants" for various entities. She said aren't there other groups or subcommittees that are establishing and reviewing grants for some of the same funds. She asked if there was some duplication there? Mr. Ziemann

Attachment C
Arizona State Parks Board Information Report
Agenda Item #: F-5

said AORCC was established when the Land and Water Conservation Fund (LWCF) passed and that was about the mid 1960s. He said it was then a stand-alone agency but was later melded as part of Arizona State Parks in the mid 1980s. AORCC is still the Board's Advisory Committee for federal LWCF grant program and for the State Lake Improvement Fund (SLIF). The Off-Highway Vehicle Fund could certainly be reviewed by AORCC by statute. The Board has allowed the Off-Highway Vehicle Advisory Group (OHVAG) to review those processes in the last few years. He said where there is duplication is with the Off-Highway Vehicle Recreation Fund.

Mr. Armer commented that this is a good start on some of the concerns he had. He said there are 10 different boards, groups, commissions and there does appear that in some cases they may be superfluous any longer since there ASP no longer has a Heritage Fund. In other instances they may be overlapping or they could be combined in an effort to conserve limited resources be it staff time or actual monies being spent. He said without meeting with the individual groups it would be out of line and counter productive. He said by the same token to reappoint new members in November might be premature. He said with that he would like to propose a motion.

Status to Date:

At the request of the Arizona State Parks Board, staff gathered the attached information regarding the 10 advisory committees that aid the Arizona State Parks Board. Utilizing a Decision Flowchart model for Evaluating Agencies, Boards and Commissions, adopted by Governor Brewer's Commission on Privatization and Efficiency (COPE), an attached analysis is attached which might suggest that the Board eliminate, merge or continuously monitor the efficiency of each of the groups. (The Virginia Governor's Commission on Government Reform & Restructuring, *Interim Report to the Governor*, October 15, 2010, pp 16-17 originally designed the model.)

Upcoming Activities:

The Board would have to decide how to proceed.

Time Frame/Target Date for Completion:

Typically, Advisory Committees are given the chance to address the Board, and new committee members are appointed in November. For the first time, the Board appointed new members in June 2011. At the Board's direction, Advisory Committee dialogue and appointments could be delayed until the analysis is complete and adopted by the Parks Board.

Relevant Past Board Actions:

Board member Walter D. Armer, Jr. requested staff do an analysis of the Advisory Committees at the June 23, 2011 Parks Board meeting.

Attachment D

FY 11 Park Revenues and Park Level Expenses DRAFT

Park	Land Status	Actual FY11 Park Revenue*	Actual FY11 Partner Revenue	Actual FY11 Operating Exp.**	Park Level Operating Margin	ASP Park Operating Margin -%
Kartchner	State	\$2,202,561		\$1,851,784	\$350,777	15.9%
LakeHavasu	State/BLM	1,046,782		704,818	341,964	32.7%
Slide Rock	State/USFS	871,648		451,222	420,426	48.2%
Catalina	State/USFS	747,219		394,243	352,976	47.2%
Dead Horse	State	645,806		627,887	17,919	2.8%
Patagonia	State	590,907		707,332	(116,425)	-19.7%
Buckskin	State/BLM	574,365		632,528	(58,163)	-10.1%
Fool Hollow	USFS	500,184		486,277	13,907	2.8%
Cattail Cove	State/BLM	432,086		389,723	42,363	9.8%
Lost Dutchman	State/BLM	324,826	18,000	254,271	88,555	27.3%
Alamo	ACE/BLM	316,689	30,000	314,304	32,385	10.2%
Roper	State	286,175		286,874	(699)	-0.2%
Tonto	State	277,180	39,000	242,881	73,299	26.4%
Picacho	State	230,128	20,000	295,648	(45,520)	-19.8%
Red Rock	State	207,502	123,750	264,320	66,932	32.3%
Jerome	State	109,741	30,000	180,548	(40,807)	-37.2%
Lyman	State/BLM/Lyman Water	52,841	35,000	168,084	(80,243)	-151.9%
Ft. Verde	State	33,536	78,751	118,317	(6,030)	-18.0%
Homolovi	State/BLM	26,055	43,875	195,355	(125,425)	-481.4%
Oracle	State	632		17,172	(16,540)	-2617.1%
McFarland	State	-		4,456	(4,456)	NApplic
Riordan	State	-	61,360	76,925	(15,565)	NApplic
Tombstone	State	-	-	192	(192)	NApplic
Tubac Presidio	State	-	-	1,442	(1,442)	NApplic
Yuma Prison	State	-	-	-	-	NApplic
Yuma QMD	State/GSA	-	11,250	15,776	(4,526)	NApplic
Total Before Concessions		9,476,863	490,986	8,682,379	1,285,470	13.6%
Concession Revenues		389,463			\$389,463	
Park Level Summary		\$9,866,326	\$490,986	\$8,682,379	\$1,674,933	17.0%

*Gate Fees represent represent total ticket related revenues, including day use, camping, annual passes, but excludes concession revenues.

** Park Operating Expenditures represent costs associated with the "direct visitor interface" (park staff, utilities, basic facility maintenance) PLUS land leases and permits.

Table 1

FY 11 Park Revenues and Park Level Expenses

DRAFT

Park	Land Status	Actual FY11 Park Revenue*	Actual FY11 Partner Revenue	Actual FY11 Operating Exp.**	Park Level Operating Margin	ASP Park Operating Margin -%
Slide Rock	State/USFS	\$871,648		\$451,222	\$420,426	48.2%
Catalina	State/USFS	747,219		394,243	352,976	47.2%
LakeHavasu	State/BLM	1,046,782		704,818	341,964	32.7%
Red Rock	State	207,502	123,750	264,320	66,932	32.3%
Lost Dutchman	State/BLM	324,826	18,000	254,271	88,555	27.3%
Tonto	State	277,180	39,000	242,881	73,299	26.4%
Kartchner	State	2,202,561		1,851,784	350,777	15.9%
Alamo	ACE/BLM	316,689	30,000	314,304	32,385	10.2%
Cattail Cove	State/BLM	432,086		389,723	42,363	9.8%
Fool Hollow	USFS	500,184		486,277	13,907	2.8%
Dead Horse	State	645,806		627,887	17,919	2.8%
Yuma Prison	State	-	-	-	-	NApplic
Tombstone	State	-	-	192	(192)	NApplic
Tubac Presidio	State	-	-	1,442	(1,442)	NApplic
McFarland	State	-		4,456	(4,456)	NApplic
Yuma QMD	State/GSA	-	11,250	15,776	(4,526)	NApplic
Riordan	State/GSA	-	61,360	76,925	(15,565)	NApplic
Roper	State	286,175		286,874	(699)	-0.2%
Buckskin	State/BLM	574,365		632,528	(58,163)	-10.1%
Ft. Verde	State	33,536	78,751	118,317	(6,030)	-18.0%
Patagonia	State	590,907		707,332	(116,425)	-19.7%
Picacho	State	230,128	20,000	295,648	(45,520)	-19.8%
Jerome	State	109,741	30,000	180,548	(40,807)	-37.2%
Lyman	State/BLM/Lyman Water	52,841	35,000	168,084	(80,243)	-151.9%
Homolovi	State/BLM	26,055	43,875	195,355	(125,425)	-481.4%
Oracle	State	632		17,172	(16,540)	-2617.1%
Total Before Concessions		9,476,863	490,986	8,682,379	1,285,470	13.6%
Concession Revenues		389,463			\$389,463	
Park Level Summary		\$9,866,326	\$490,986	\$8,682,379	\$1,674,933	17.0%

*Gate Fees represent represent total ticket related revenues, including day use, camping, annual passes, but excludes concession revenues.

** Park Operating Expenditures represent costs associated with the "direct visitor interface" (park staff, utilities, basic facility maintenance) PLUS land leases and permits.

Table 2

Summary of ASP Park Operating Margins in FY 2011 - DRAFT

	Park Revenues	Concessions	Park Level Revenues	Park Level Expenses	Margin Before Contributions	Partner Contributions	Margin After Contribution	Operating Margin %
Sum of + Margin Parks	\$7,572,483	\$275,350	\$7,847,833	\$5,981,730	\$1,866,103	\$210,750	\$2,076,853	26.5%
Sum of - Margin Parks	<u>1,904,380</u>	<u>114,113</u>	<u>2,018,493</u>	<u>2,700,649</u>	<u>(\$682,157)</u>	<u>280,236</u>	<u>(\$401,921)</u>	<u>-19.9%</u>
Total Park Level	\$9,476,863	\$389,463	\$9,866,326	\$8,682,379	\$1,183,947	\$490,986	\$1,674,932	17.0%

Table 3

Hypothetical Park System Revenue Sharing to ASP
DRAFT

Park	FY 2011 Park Revenues	Hypothetical Percent of Park Revenues to Meet ASP Costs					
		10.0%	20.0%	30.0%	40.0%	50.0%	60.0%
Kartchner	\$2,202,561	\$220,256	\$440,512	\$660,768	\$881,024	\$1,101,281	\$1,321,537
LakeHavasu	1,046,782	104,678	209,356	314,035	418,713	523,391	628,069
Slide Rock	871,648	87,165	174,330	261,494	348,659	435,824	522,989
Catalina	747,219	74,722	149,444	224,166	298,888	373,610	448,331
Dead Horse	645,806	64,581	129,161	193,742	258,322	322,903	387,484
Patagonia	590,907	59,091	118,181	177,272	236,363	295,454	354,544
Buckskin	574,365	57,437	114,873	172,310	229,746	287,183	344,619
Fool Hollow	500,184	50,018	100,037	150,055	200,074	250,092	300,110
Cattail Cove	432,086	43,209	86,417	129,626	172,834	216,043	259,252
Lost Dutchman	324,826	32,483	64,965	97,448	129,930	162,413	194,896
Alamo	316,689	31,669	63,338	95,007	126,676	158,345	190,013
Roper	286,175	28,618	57,235	85,853	114,470	143,088	171,705
Tonto	277,180	27,718	55,436	83,154	110,872	138,590	166,308
Picacho	230,128	23,013	46,026	69,038	92,051	115,064	138,077
Red Rock	207,502	20,750	41,500	62,251	83,001	103,751	124,501
Jerome	109,741	10,974	21,948	32,922	43,896	54,871	65,845
Lyman	52,841	5,284	10,568	15,852	21,136	26,421	31,705
Ft. Verde	33,536	3,354	6,707	10,061	13,414	16,768	20,122
Homolovi	26,055	2,606	5,211	7,817	10,422	13,028	15,633
Oracle	632	63	126	190	253	316	379
McFarland	-	-	-	-	-	-	-
Riordan	-	-	-	-	-	-	-
Tombstone	-	-	-	-	-	-	-
Tubac Presidio	-	-	-	-	-	-	-
Yuma Prison	-	-	-	-	-	-	-
Yuma QMD	-	-	-	-	-	-	-
Total Before Concessions	9,476,863						
Concession Revenues	389,463						
Park Revenues	\$9,866,326	\$947,686	\$1,895,373	\$2,843,059	\$3,790,745	\$4,738,432	\$5,686,118

ASP Operating Margin Payment	\$1,674,933
Public Safety/Wastewater Operators Personnel Payment*	3,543,700
Payment to ASP	\$5,218,633
Revenue Share to ASP	52.9%

*assumes the 3rd party operator would fund existing Arizona State Parks Law Enforcement and Wastewater Treatment Plant operators to work on the parks.

Table 4

Attachment E

Discussion Item

F.3.

Park Revenue Analysis and Hypothetical Revenue Sharing from 3rd Party Operators

Pro-Forma Assumptions for 3rd Party Operators

RFI respondents reported revenue sharing from 5% to 23%

Pro-forma Assumptions

- Parks generate same revenue as in FY2011
- 3rd party operator pays all park level expenses
- Land owner (i.e., federal government) allows an alternate operator
- No indirect agency expenditures for parks are included
- No funding from the State for capital or maintenance projects
- Volunteer value is not included
- Table 4 only: Public Safety, Water/Wastewater Operators staffed by ASP and paid by revenue sharing.

Discussion Item

Examples of "direct" park level expenses

salaries, employee benefits, land leases, permits, utilities, park supplies, light maintenance, office equipment

Discussion Item

FY2011

ASP park revenues:

Gate Fees

\$ 9.50 million

Concessions

\$.40 million

\$ 9.90 million

Partner investments

.50 million

\$10.40 million

Park level operating costs

\$ 8.70 million

Park Operating margin

\$ 1.70 million

(See Table 1 in packet)

Discussion Item

Park operating margins ranged from 48.2% to negative

1. +Margin parks earned \$2.0 million; 26.5% on revenues
2. -Margin parks earned \$(0.4) million; -19.9% on revenue
3. System earned 17% on revenues; \$1.7 million

(See Table 2 & 3 in packet)

Discussion Item

To keep park financial position whole,
concessionaire would pay for existing margin and
public safety personnel

\$ 1.7 million margin

\$ 3.5 million LE, W/WW, EMT salary and benefits

\$5.2 million

53% of FY 2011 gate revenues

(See Table 4 in packet)

Attachment F
Arizona State Parks Action Report
Agenda Item #: G-2



Title: Consider Approval of the Law Enforcement Boating Safety Fund (LEBSF) Distribution of \$750,000 to Mohave, La Paz and Yuma Counties for FY 2012
 Staff Lead: Jay Ziemann, Assistant Director
 Date: September 14, 2011

Board Members	Aye	Nay	Absent	Abstain	Comments
Tracey Westerhausen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walter Armer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Reese Woodling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Larry Landry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alan Everett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
William Scalzo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Maria Baier	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Approve <input checked="" type="checkbox"/>	Deny <input type="checkbox"/>	Amend <input type="checkbox"/>			

Motion:

Alan Everett: I move the Arizona State Parks Board approve the distribution of \$399,638 to Mohave County, \$236,318 to La Paz County and \$114,045 to Yuma County, from the Law Enforcement Boating Safety Fund for FY 2012 based on historical percentages.

Mr. Armer seconded the motion. The motion passed unanimously.

Board Questions/Comments:

Mr. Ziemann said the legislature set aside \$750,000 to go for law enforcement on Arizona's waterways to three counties: La Paz, Mohave and Yuma. Staff runs this through basic arithmetic derived from the Watercraft Survey, which is done every three years. On August 15, 2011, AORCC unanimously recommended the Board approve the numbers as shown on Slide #36 (included in these minutes as Attachment G).

Status to Date:

Section 76 of HB 2001, passed in the 7th Special Session and signed by Governor Brewer on March 18, 2010 allowed the Parks Board to use monies in the Fund for the operation of state parks as follows: *The appropriation for law enforcement and boating safety fund projects is an estimate representing all monies distributed to this fund, including balance forward, revenue and transfers during fiscal year 2010-2011. These monies are appropriated to the Arizona state parks board for the purposes established in section 5-383, Arizona Revised Statutes. The appropriation shall be adjusted as necessary to reflect actual final receipts credited to the law enforcement and boating safety fund.*

Attachment F
Arizona State Parks Action Report
Agenda Item #: G-2

Section 6 of HB 2007, passed in the 7th Special Session and signed by Governor Brewer on March 18, 2010, appropriated all funds above \$500,000 for FY 2011 agency operations. The remaining \$500,000 could only be granted to La Paz and Mohave counties. [please see below].

Sec. 6. Law enforcement and boating safety fund; Arizona state parks board; operating expenditures

Notwithstanding section 5-383, Arizona Revised Statutes:

- 1. For fiscal year 2010-2011, available monies in the law enforcement and boating safety fund may only be granted to La Paz and Mohave counties.*
- 2. All law enforcement and boating safety fund monies appropriated by the legislature to the Arizona state parks board in fiscal year 2010-2011 above \$500,000 are available in fiscal year 2010-2011 for the operation of state parks.*

For FY 2012, the Board has one-time legislative authority to use the Fund for agency operations, including all receipts and cash balance forward above \$750,000 reserved for pass through grants to La Paz, Mohave and Yuma Counties. The FY 2012 agency operating budget explicitly includes the expenditure of all cash in that fund by the end of FY 2012.

On August 15, 2011, the Arizona Outdoor Recreation Coordinating Commission (AORCC) unanimously voted to recommend that the Board approve for FY 2012 the distribution of \$750,001 to Mohave, La Paz and Yuma Counties based on historical percentages.

Arizona Revised Statutes §5-383 requires the Board to adopt procedures for the allocation of the monies. Allocation percentages are updated every three years in response to the State Watercraft Survey and salary information provided by the eligible participants. The attached Table summarizes the LEBSF allocation percentages for distribution of funds through 2013.

Time Frame:

Upon the approval by the Parks Board of the FY 2012 LEBSF allocation percentages for the distribution of funds, staff will execute partnership agreements and distribute the FY 2012 allocation of \$750,001 to La Paz, Mohave and Yuma Counties.

Staff and Financial Resources:

Staff time approximately 16 hours.

Relation to Strategic Plan:

Partnerships Goal: To build lasting public and private partnerships to promote local economies, good neighbors, recreation, conservation, tourism and establish sustainable funding for the agency.

Attachment F
Arizona State Parks Action Report
Agenda Item #: G-2

Relevant Past Board Actions:

On June 23, 2011, the Board approved the amended FY 2012 Arizona State Parks Operating Budget of \$19,489,900 including full expenditure of all cash & receipts to the LEBSF. The Board also reviewed and considered the FY 2013 budget request to the Governor's office and Legislature. This included staff's recommendation to continue the session law from FY 2012 reserving \$750,000 for LEBSF pass-through grants, and the remainder to be used for State Parks operations to keep the park system open for the public.

On August 3, 2011 the Board voted to send a letter to Governor Brewer asking her to restore adequate funding for State Parks. That request would allow State Parks to adhere to Arizona statutes relating to the intended uses of the Law Enforcement Boating Safety Fund.

Attachment G

BOARD ACTION ITEM

G.2.

Consider Approval of Law Enforcement Boating Safety Fund Distribution of \$750,000

FY 2012 LAW ENFORCEMENT & BOATING SAFETY FUND		
	LEBSF ALLOCATION	
County	Percent Relative to Total for 3 Counties	Percent X \$750,000=Allocation
La Paz	17.872%/56.721= 31.509%	\$236,318
Mohave	30.224/56.721= 53.285%	\$399,638
Yuma	8.625/56.721= 15.206%	\$114,045
		\$750,001



Attachment H
Arizona State Parks Board Action Report
Agenda Item #: I-3

Title: Consider Funding for FY 2011 Land Conservation Fund Grant Applications
Staff Lead: Jay Ziemann, Assistant Director
Date: September 14, 2011

Board Members	Aye	Nay	Absent	Abstain	Comments
Tracey Westerhausen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walter Armer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Reese Woodling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Larry Landry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alan Everett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
William Scalzo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Maria Baier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Approve	<input checked="" type="checkbox"/>	Deny	<input type="checkbox"/>	Amend	<input type="checkbox"/>

Motion:

Larry Landry: I move the Arizona State Parks Board approve funding all four applications up to an amount that equals the percentage (84.3796%) of the eligible amount for each project, based on a ratio of the total amount available to the total amount eligible (ratio of \$40,460,000 to \$47,950,000):

- City of Scottsdale – McDowell Sonoran Preserve Parcel 2 for the purchase of 1,937.19 acres for up to \$17,297,810, and
- City of Scottsdale – McDowell Sonoran Preserve Parcel 3 for the purchase of 2,482.2 acres for up to \$18,985,410, and
- City of Phoenix – Sonoran Preserve Priority 3-B for the purchase of 317.911 acres for up to \$2,447,000, and
- City of Phoenix – Sonoran Preserve Priority 3-C for the purchase of 271.053 acres for up to \$1,729,780.

The final grant amounts will be based on the Arizona State Land Department (ASLD) final appraisal value of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. Approval of the awards is contingent upon the appraised land value being finalized before December 31, 2011, and that the applicant be a successful bidder, and that any issues pertaining to the Conservation Easements are resolved.

Mr. Everett seconded the motion. The motion passed unanimously with Ms. Baier abstaining.

Board Questions/Comments:

Ms. Baier said she would abstain from the discussion and vote on Item G-3.

Attachment H
Arizona State Parks Board Action Report
Agenda Item #: G-3

Mr. Ziemann said the purpose of the Land Conservation Fund is to conserve open spaces in or near urban areas. This is done by awarding grants for the purchase of State Trust Land that has been classified as suitable for conservation purposes. This year four applications were received from two applicants. Two are from the City of Phoenix and two are from the City of Scottsdale. The rating team scored the applications for the rating criteria devised and approved by the Parks Board and determined that all of the parcels were eligible for funding and acquisition under this program. The total of just over \$80 million remains in the fund but per statute only half of that money could go to any single county in any given year. He said there is \$40,460,000 available to fund these four parcels of land. The Conservation Acquisition Board (CAB) met on August 10, 2010 and unanimously adopted the recommended board motion. He said to clarify CAB recommended the Board fund each of these in a proportion of 85% percent. By funding 85% of the estimated appraised value, ASP could fund all four parcels.

Chairman Westerhausen asked if December 31, 2011 is sufficient time. Mr. Ziemann answered affirmatively.

Chairman Westerhausen asked if there had been more applicants there was still money to award. Mr. Ziemann answered affirmatively. He said staff anticipate there would be more applicants from other counties next year.

Status to Date:

The purpose of the Land Conservation Fund is to conserve open spaces in or near urban areas and other areas experiencing high growth pressures. This is accomplished by awarding grants for the purchase or lease of State Trust land that has been classified as suitable for conservation purposed by the Arizona State Land Department (ASLD).

In 1998 the voters passed Proposition 303, which established an annual \$20 million appropriation by the Arizona State Legislature from the General Fund to the Land Conservation Fund (A.R.S.§41-511.23). The annual appropriation began in FY 2001 and continued through FY 2011.

In May 2003, the Governor signed a bill directing \$2 million annually be transferred to the Livestock and Crop Conservation Fund which is administered by the Arizona Department of Agriculture.

In November 2010, voters rejected Proposition 301, which sought to sweep the fund balance of the Land Conservation Fund into the State General Fund.

**Attachment H
Arizona State Parks Board Action Report
Agenda Item #: I-3**

Current Status:

Staff received the following four applications for the FY 2011 Land Conservation Fund Grant Program:

<u>Applicant</u>	<u>Acres</u>	<u>Parcel Name</u>	<u>Acquisition Type</u>	<u>County</u>
City of Phoenix	317.911	Phoenix Sonoran Preserve Priority 3B	Purchase	Maricopa
City of Phoenix	271.053	Phoenix Sonoran Preserve Priority 3C	Purchase	Maricopa
City of Scottsdale	1,937.19	McDowell Sonoran Preserve Parcel 2 – Rock Knob to Fraesfield Mountain	Purchase	Maricopa
City of Scottsdale	2,482.20	McDowell Sonoran Preserve Parcel 3 – Rawhide Wash to Granite Mountain	Purchase	Maricopa

The rating team scored the applications per the rating criteria in the FY 2011 Growing Smarter State Trust Land Acquisition Grant Manual and determined that all parcels applied for are eligible.

Attached is the summary list of applications for the projects indicating the rating scores and funding requests.

A total of \$80,920,000 is available for the FY 2011 Growing Smarter grants as summarized below:

FY 2011 Appropriation	\$ 20,000,000
Prior Years Carry Forward Balance	\$ 62,920,000
FY 2011 Livestock and Crop Conservation Fund	<u>\$ (2,000,000)</u>
Total Available Revenue for Grants	\$ 80,920,000

A.R.S. §41-511.23.H.2 states that no more than 50% of the Land Conservation Fund from any one fiscal year may be awarded to projects in a single county. This means that no more than **\$40,460,000** can be awarded in any single county (50% of the *total* amount available in any fiscal year). For the FY 2011 Growing Smarter Grant Program all projects are in a single county – Maricopa County.

**Attachment H
Arizona State Parks Board Action Report
Agenda Item #: G-3**

The recommended funding is as follows:

Total Available Revenue for Grants	\$ 80,920,000
Total recommended awards	\$ 40,460,000
Remaining Uncommitted Balance	\$ 40,460,000

Additional issues raised by the Arizona State Land Department during this cycle include concerns regarding extension of future Infrastructure as they relate to APS dispositions. Grant awards will be contingent upon issues affecting any conservation easements are resolved prior to disbursement of funds.

Time Frame:

- Applicants will bid on the State Trust Land at a public auction held by Arizona State Land Department.
- Grant award amounts will be contingent upon the appraisals and parcel sizes being approved by the State Land Commissioner, and the applicants are the highest and best bidders at public auction.
- Staff will execute Participant Agreements to the applicants that are successful bidders at public auction.

Staff and Financial Resources:

No additional staff or financial impacts are anticipated.

Relation to Strategic Plan:

Partnerships Goal: To build lasting public and private partnerships to promote local economies, good neighbors, recreation, conservation, tourism and establish sustainable funding for the agency.

Relevant Past Board Actions:

The Board has approved a total of \$185,714,067 in Growing Smarter Grant Funds between Fiscal Years 2001 thru 2010. A summary list of the history of Growing Smarter Grant awards is attached.



Attachment I
Arizona State Parks Board Action Report
Agenda Item #: G-4

Title: Discussion on Legislative Issues, Priorities and Potential Solutions for Upcoming Legislative Sessions
Staff Lead: Jay Ziemann, Assistant Director
Date: September 14, 2011

Board Members	Aye	Nay	Absent	Abstain	Comments
Tracey Westerhausen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walter Armer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Reese Woodling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Larry Landry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alan Everett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
William Scalzo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Maria Baier	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Approve <input checked="" type="checkbox"/>	Deny <input type="checkbox"/>		Amend <input type="checkbox"/>		

Motion:

Larry Landry: I move the Arizona State Parks Board authorize staff to go forward with protecting state parks generated revenues, including the Enhancement Fund.

Mr. Scalzo seconded the motion. The motion carried unanimously.

Board Members	Aye	Nay	Absent	Abstain	Comments
Tracey Westerhausen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walter Armer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Reese Woodling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Larry Landry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alan Everett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
William Scalzo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Maria Baier	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Approve <input checked="" type="checkbox"/>	Deny <input type="checkbox"/>		Amend <input type="checkbox"/>		

Motion:

Larry Landry: I move the Arizona State Parks Board authorize staff to go forward with the reservation surcharge fund cap removal.

Ms. Baier seconded the motion. The motion passed unanimously.

Attachment I
Arizona State Parks Board Action Report
Agenda Item #: G-4

Board Members	Aye	Nay	Absent	Abstain	Comments
Tracey Westerhausen	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walter Armer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Reese Woodling	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Larry Landry	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alan Everett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
William Scalzo	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Maria Baier	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Approve <input type="checkbox"/>		Deny <input checked="" type="checkbox"/>		Amend <input type="checkbox"/>	

Motion:

Maria Baier: I move the Arizona State Parks Board authorize staff to include the legislative priority a placeholder that Arizona State Parks may wish to propose legislation that addresses the authority to solicit donations and sponsorships with the express understanding that the item may be removed in the future subsequent to the Parks Board receiving counsel from its attorneys on this issue.

Mr. Everett seconded the motion. The motion did not pass.

Board Questions/Comments:

Mr. Ziemann said staff has identified three potential legislative initiatives for this upcoming session. This is a very process driven effort. First, staff must take any legislative idea and take it to the Governor and make sure that the Governor and the Governor's staff is on board with what the agency is purporting to accomplish. The due date for those requests is on September 15, 2011. He anticipates back and forth conversations with the Governor's Office for about a month after that. The policy analyst will try to delve into these matters and try to understand exactly what ASP is trying to accomplish. After the Governor is on board then staff could go to Senator Melvin or any other legislator and then go to Legislative Council and get bills drafted.

Mr. Ziemann said as stated before there are three potential legislative initiatives for this upcoming session:

1) Protect State Parks generated revenues, including the Enhancement Fund. ASP is looking to insulate the revenues that are derived in the parks system from budget sweeps. Last year a bill was introduced, went through the process and then signed by Governor Brewer dealing with donations that any agency received. It isolates those out of the state general fund. That is the same process that ASP would purport to take with the revenues that currently go into the Enhancement Fund – entrance fees, camping fees, cave tours, etc. This would also include the reservation surcharge which is what is charged to use the reservation system as well as the publications fund when ASP sells books, etc. These funds could never be 100% protected because the legislature could always say, "notwithstanding..." and change it. He said at least it would demonstrate ASP's intentions, the Governor's commitment to that and legislative intent if they would pass this.

Attachment I
Arizona State Parks Board Action Report
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Mr. Landry said these are not Enhancement Funds. These are user fees and concessions. He hoped that any legislative draft would change the definition. He said he thought the name is harmful and inaccurate. He said he knows the legislature has to adopt a name change but there is no reason why the Board could not adopt a name change before the legislature acts. He hoped the Board could consider a name change of that fund even by the October meeting.

Chairman Westerhausen said she agreed with Mr. Landry. When she first became a Board member, she did not understand that this fund meant basic funds.

Chairman Westerhausen asked Mr. Ziemann if there was legislation to protect park generated revenues, if there was any indication that would satisfy the Bureau of Land Management (BLM) or the US Forest Service and those negotiations? Mr. Ziemann said one of the principle things that the BLM especially has asked to be in place before ASP does third-party operations is these park generated revenues remain invested in the parks system and not swept into the general fund to be used for non-park purposes. That is one of the key pieces that would be used to gain support for this bill.

Mr. Landry said it would be helpful to have a narrative or a 60-second sound bite. He said he thought the Board's letter to the Governor and legislature because it is what ASP needs. He said the Arizona Forward report that was just released should be part of that message as well as the front page story that showed ASP has a third-party advocate. The Arizona Heritage Alliance has sent an excellent letter that parallels the letter the Board sent as far as the needs of ASP. He said those third-party testimonials shows a lot of people are saying it. He said he thanked Diane Brossart of Arizona Forward and thanked her for doing this and encouraged her advocacy. He thought it would certainly help Board members and others if there were a similar message and the right collateral materials to give to the legislature and the Governor's Office or whomever to tell ASP's story. He said he urge the Board to consider ongoing development of the communication message.

Mr. Ziemann said there are three next potential legislative initiatives for this upcoming session:

2) The explicit authority to solicit donations and sponsorships. He said in the statutes the Board has the authority to make such contracts, leases and agreements and incur such obligations as are reasonably necessary and desirable within the general scope of your activities. Nowhere does it say the Board explicitly has the right to solicit donations and sponsorships.

Mr. Landry said but ASP could accept them.

Mr. Ziemann said that is correct. One proposal to take to the Governor's Office would be to modify, change or enhance the powers of the board to explicitly authorize the Board's ability to solicit donations and sponsorships.

Mr. Scalzo said he had a strong disagreement with taking this to the legislature. He said first of all even Senator Melvin said today he hoped that ASP would go out and get sponsorships. He obviously thinks the Board has the authority and he is one of our

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elected officials. He said second of all there is an RFI and a Request for Proposal (RFP) process that could be used for any solicitation on sponsorship and that has always been there. Plus it is inherent in what the legislature has asked the Board to do to sustain the system. He said he thought this unnecessary and it could end up getting the Board to lose authority.

Mr. Landry said maybe this is an issue where the Board members could see all of the statutes involved. Then it could be discussed at a future Board meeting because there hasn't been any background information on this issue.

Ms. Bahl told the Board that the next day (September 15, 2011) would be the deadline for legislative proposals to the Governor's Office. She said if it were not included now then it would be delayed for another year.

Mr. Scalzo said he had a problem with moving it forward at all. He said he thought the Board would be asking for trouble with a legislature that thinks they are giving the Board more power than the Board should have. He thought it should be left the way it is. There has been no litigation brought against the Board on any of the partnerships that were developed or on any of the donations that have been received in the past. He said why would the Board initiate something that isn't a problem.

Ms. Baier said since the issue is delicate I think the Board does need a briefing on this and this may be appropriate for an executive session because the Board would be receiving legal advice.

Ms. Hernbrode said that is correct. She said she and Ms. Hachtel are prepared to do an executive session on this subject if the Board so wishes. She said she is marking the statutes and she would get those for the Board.

Ms. Baier said in terms of what is on the list that goes to the Governor's Office that, at this point, is internal to the administration. Is that correct, Jay? Mr. Ziemann answered affirmatively. Ms. Baier said it is her understanding that if it is not on the list that it is very difficult to get it on the list. If the Board found that they did not have the authority then after a broader discussion it would be very difficult then to include it in the legislative agenda.

Mr. Ziemann said it would be much better to include it and then at any time it could be withdrawn.

Ms. Baier asked how broadly is the request circulated? Is it something that is given to the Governor's legislative lead? If it were referenced without committing to a particular course of action then that would be enough to provide a placeholder. Mr. Ziemann answered affirmatively. He said it is shared with legislative staff and the policy advisor. It could be just a placeholder that is still being discussed.

Ms. Baier said she thought it wise to keep it on the list with clear designation as a continuing discussion.

Chairman Westerhausen said the Board should determine if it needs and executive session on Item #2. Then the Board could vote on each of the items individually.

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Mr. Landry said he wanted to clarify Ms. Baier's statement. He said Ms. Baier said that staff would say this is an issue that the Board is considering coming forward with and but are not ready to come forward yet and we want it on the Governor's radar screen and after the Board could meet, discuss it and get legal advice. He said if that is true then he would support that but he would be reluctant to support anything else. Ms. Baier said that was correct.

Mr. Woodling noted that the Board could go into executive session if it so chooses and then come back to this item.

Mr. Landry said he would like to review legislation. He said he understood the concerns but he thought it could wait and could be added to the legislative agenda later.

Ms. Baier noted that Governor Brewer's Office takes the legislative agenda seriously. She said she agreed with Mr. Ziemann that the Governor's Office is willing to take things off but it is difficult to add something so it is better to be overly inclusive. She said if the Board has any desire to have it on the legislative agenda then it is better to include it with caveats than to not include it.

Mr. Scalzo said he understood everything that had been said but he strongly disagreed with the process in that he doesn't know other agencies asking for similar legislation. The Board is getting too much into the concept of litigation rather than moving forward in a proactive way. He said he would vote against that issue.

Mr. Everett said he agreed with Ms. Baier. He said it could be added to the list and submitted and the Board does not have to make a decision on this right away. He didn't think the Board needed to go into executive session because the Board would just be putting it on the list.

Mr. Armer said regardless of what action the Board took he requested that there be an executive session on the explicit authority to solicit donations and sponsorships at the next Board meeting and there be more detailed background.

Mr. Scalzo said he didn't think there was any benefit to move forward with this with any language. He said he would like to see information that would indicate that other agencies are doing it. He said he would gladly go forward with it if the Game and Fish Department and a couple of other agencies joined ASP in asking for this. Otherwise, he said he didn't see a reason to do this other than an attorneys' view of this.

Ms. Bahl noted that if the Board changes its mind it would be too late to work through the Governor's Office.

Ms. Bahl said the fact sheet is a working draft and there are some changes that need to be made. She said staff would delete the second bullet and third bullet. She said the reservation surcharge cap removal would be included in the statement "protect park-generated revenue."

Mr. Landry said the fact sheet is a good start to what the Board discussed at its June meeting about messaging. He said it might be prudent to ask Board members to submit

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any thoughts they have on how to refine this page. Then it could be brought back at another meeting.

Chairman Westerhausen said the fact sheet has a lot of moving parts. She said the top has the Board's legislative goals, the middle is what ASP does for the state and the bottom is who is State Parks. She thought some suggestions from the Board might be good.

Ms. Bahl said the Board could send suggestions to her directly and staff would put this on the agenda for its October meeting for additional discussion.

Mr. Armer said he thought the Board had not acknowledged that they do not have the authority of soliciting donations and sponsorships. He said he did not have a problem with leaving it on the fact sheet. It is not necessarily a legislative issue but it is an actionable issue.

Mr. Landry said he didn't think the Board should decide at this meeting whether to keep that line or take it out. The Board should give their suggestions to Ms. Bahl. He said he would like to see a new draft of the fact sheet and leave it to staff to recommend to the Board.

Mr. Everett said Mr. Armer brings up a good point because the direction to staff was to take that statement off.

Mr. Scalzo said he agreed with Mr. Armer that the statement should be left on. He said it is one thing the legislature supports the Board doing and Senator Melvin said to do that earlier in the meeting.

Chairman Westerhausen said in that case the Board does continue to support sustainable operations.

Status to Date:

A one-page fact sheet, emphasizing the entrepreneurial efforts and needs of State Parks is attached. It identifies three legislative initiatives for the coming session. First, to protect all State Parks generated revenues, including the Enhancement Fund, second, to seek the express legislative authority to solicit donations and sponsorships, and third, to lift the cap on the Reservation Surcharge Fund.

Neither of these legislative priorities will solve the agency's need for ongoing sustainable funding, but will support the agency's entrepreneurial efforts and partnerships with the private sector.

Time Frame:

Initial requests to the Governor's Office for approval of proposed legislation is September 15, 2011. If approval is granted, legislative sponsors will be sought and discussions with Legislative Council, which drafts legislation, will begin. The next regular legislative session will begin in early January 2012.

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Staff and Financial Resources:

Staff will work with lawmakers and partners to further the Parks Board's legislative agenda.

Relation to Strategic Plan:

Partnerships Goal: To build lasting public and private partnerships to promote local economies, good neighbors, recreation, conservation, tourism and establish sustainable funding for the agency.

Relevant Past Board Actions:

June 23, 2011, motion to approve the FY 2012 budget identified necessity of protecting park-generated revenues.